

**CALGARY
COMPOSITE ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaint against the property assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460(4).

between:

Altus Group Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L.R. Loven, PRESIDING OFFICER

B. Kodak, MEMBER

T. Usselman, MEMBER

This is a complaint to the Calgary Combined Assessment Review Board in respect of Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER: 067123901

LOCATION ADDRESS: 1217 9 Street S.W.

HEARING NUMBER: 59538

ASSESSMENT: 3,660,000

This complaint was heard on the 28th day of October, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- B. Neeson, representing Altus Group Limited, on behalf of the Sherburne Group Ltd.

Appeared on behalf of the Respondent:

- J. Toogood, representing the City of Calgary

Board's Decision in Respect of Procedural or Jurisdictional Matters:

Both the Respondent and the Complainant confirmed to the Board that they had no procedural or jurisdictional matters to be raised.

Property Description:

The subject property consists of a 2 story, 14 suite townhouse apartment building, built in 1912, and located in the Beltline (BLN) community within market zone 2. The assessment is \$3,660,000.

Issues:

1. Vacancy rate increased to 5%; and,
2. Gross Income multiplier (GIM) decreased to 13.

Complainant's Requested Value: \$2,330,000.

Board's Findings in Respect of Each Matter or Issue:

Issue 1: Vacancy Rate

The Complainant submitted a CMHC Rental Market Report for Fall 2009 showing changes to the vacancy rates from October 2008 to October 2009 as follows: total for townhouse from 2.7% to 4.7; one and three bedroom townhouse units for zone 2 from 1.7% to 6.5% and 5.4% to 7.1%, respectively. The Board notes that the change in vacancy rates does not differentiate by number of units.

The Complainant provided a table containing six equity comparables as follows: four highrise comparables and two lowrise comparables. One lowrise comparable located in market zone 2 in a different community than the subject property and the other in market zone 3, were assessed vacancy rates of 2% and 1%, respectively. Two of the highrise comparables, located in market zone 2, were assessed a vacancy rate of 1%; and, two highrise comparables located in market zone 3 were assessed at 5% vacancy.

The Respondent provided a table containing four townhouse assessment comparables, all located

within market zone 2, were compared to the subject property: from 2 years older to 16 years newer; had from 10 to 6 fewer suits; and, all were assessed a vacancy of 0.97 (the same as the subject property).

The Respondent submitted a billing register as of April 2009, for the subject property, showing 14 tenant names, one for each apartment.

The Respondent referenced Calgary Assessment Review Board decision ARB 0536/2010-P, regarding the vacancy rate for a low-rise apartment building located in the Beltline community

Based on its consideration of the foregoing evidence and argument, the Board finds the Respondent's assessment comparables and the Complainant's lowrise comparables both support the assessed vacancy rate of 3%, and the actual vacancy for the subject property is lower than that assessed.

Issue 2: GIM

Of the Complainant's six equity highrise and lowrise comparables, five are located in market zone 2, contain from 16 to 38 suites, were constructed from 1962 to 1980, and all were assessed a GIM of 13, which is lower than that of the subject property by a GIM factor of 7.

The Respondent's four assessment comparables, as described above, are all assessed at a GIM of 20 (the same as the subject property).

Based on its consideration of the foregoing evidence and argument, the Board finds that the comparables provided by the Respondent are more similar to the subject property with respect to type, location, number of units and year of construction than the Complainant's comparables. Therefore, they better support the assessed GIM of the subject property.

Summary

The only issues argued by the Complainant were to increase the assessed vacancy rate from .97 or 3% to .95 or 5%, and decrease the GIM from 20 to 13.

The Complainant referenced a Municipal Government Board (MGB) Notice of Decision dated February 19, 2010, regarding the subject property, reducing the assessment by approximately 24%.

The Board finds that the Calgary Assessment Review Board decision ARB WR0083/2010-P referenced by the Complainant, regarding the lowering of an assessment for a single family property, merits little weight given the decision was based, in part, on the change in assessment of the Respondent's comparables in the same community. However, the Complainant provided a table containing four highrise and two lowrise comparables, containing from 16 to 38 units, not located in the same community as the subject property. The percent change in the assessment for the subject property was approximately -9.41%, versus from -6% to -20% for the comparables. Given the foregoing, on this basis alone, it is difficult for the Board to find that the assessment of the subject property should be reduced further.

The CMHC report submitted by the Complainant did not provide the Board with details for the Board to determine that the townhouse vacancy rate rose uniformly across all communities within a market

zone. The Complainant's comparables support the assessment of the subject property regarding vacancy rate.

The Respondent's assessment comparables support the assessed vacancy rate of 3% or 0.97 and assessed GIM of 20.

In conclusion, the Board therefore finds, based on the evidence and argument presented, that the subject property appears to have been assessed fairly with respect to the vacancy rate and GIM,

Board's Decision:

For the reasons set forth above, the assessment of the subject property is hereby confirmed as follows: \$3,660,000.

DATED AT THE CITY OF CALGARY THIS 9 DAY OF December 2010.



L.R. LOVEN
Presiding Officer

An appeal may be made to the Court of Queen's Bench on a question of law or jurisdiction with respect to a decision of an assessment review board.

Any of the following may appeal the decision of an assessment review board:

- (a) *the complainant;*
- (b) *an assessed person, other than the complainant, who is affected by the decision;*
- (c) *the municipality, if the decision being appealed relates to property that is within the boundaries of that municipality;*
- (d) *the assessor for a municipality referred to in clause (c).*

An application for leave to appeal must be filed with the Court of Queen's Bench within 30 days after the persons notified of the hearing receive the decision, and notice of the application for leave to appeal must be given to

- (a) *the assessment review board, and*
- (b) *any other persons as the judge directs.*